



JLL

*Achieve
Ambitions*

Demand and Disruption in Global Cities

JLL and The Business of Cities, 2019



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Key trends in 2019



Global cities are having to meet a wider set of competitive criteria. These include the ability to optimise locations, improve placemaking, build long-run resilience, continue to meet rising citizen and business expectations, and pivot into the innovation economy. Investors and corporate occupiers have more data to play with and more factors to consider.



The innovation economy, the experience economy, the sharing economy and the circular economy are changing the competitive landscape for cities. Cities that adapt will enjoy new sources of real estate demand from new living and working patterns, growth in high-experience locations, transport-oriented densification and sustainable development.



A stable top division of 'Established World Cities' that testifies to London's competitive resilience, Paris's positive cycle of policies, Seoul's continued momentum and ongoing imperatives for Hong Kong around innovation and smart technologies.



The emergence of new 'Global Contenders' – Berlin, Boston, Munich and Stockholm are cities gaining more global specialisation while future-proofing their economies and city systems. They are competing more effectively on the global stage by building on their quality-of-life advantages, innovation capabilities and institutional strength.



The maturing model of 'New World Cities' that have been successfully competing on their quality-of-life advantages, innovation capabilities, brand appeal and institutional strength, and effectively managing the challenges that come with the surge in demand. They continue to outperform 'Established World Cities' on many core metrics, reinforcing the cycle of investor demand. Manchester, Philadelphia, Stuttgart, Lisbon and Montreal have joined the 'New World Cities' category for the first time in 2019.



'Emerging World Cities' are showing it is possible to break through if they ally their investment in infrastructure 'hardware' with more of the ecosystem ingredients that will foster innovation, the 'art' of placemaking, and spatial development; boost their cultural offer; and improve amenities, the business-operating environment and market transparency. Guangzhou, Shenzhen, Taipei, Istanbul and Moscow are 'Emerging World Cities' to watch.



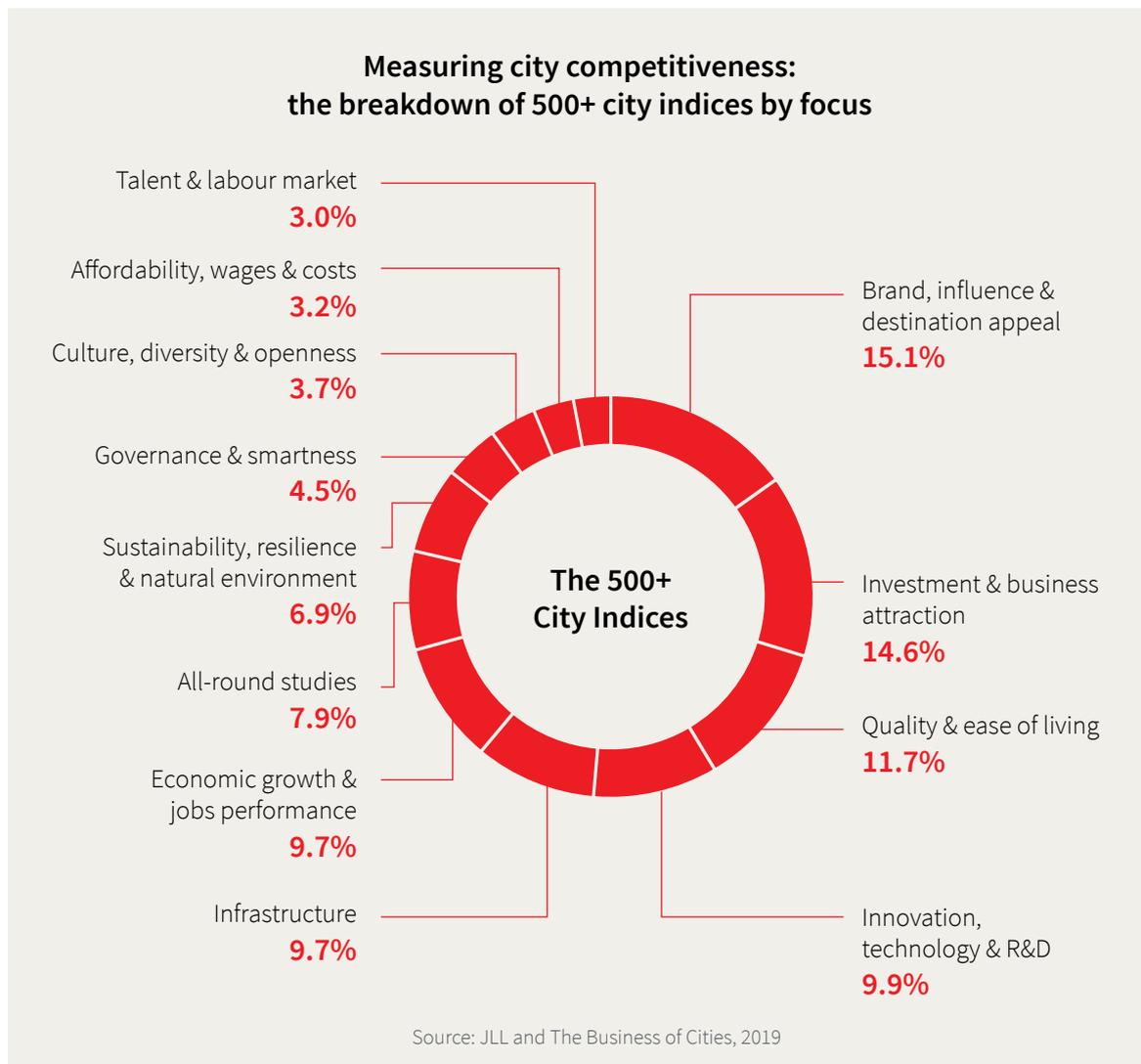
The role of city governance and leadership is often overlooked when assessing a city's future prospects, but the ever more complex nature of city transformation relating to the innovation economy, climate mitigation and geopolitical agility, all point to a city's governance system being increasingly elemental to city and real estate success.

Introduction: The Changing World of Cities

For nearly a decade, JLL and The Business of Cities have been analysing the role that city benchmarks, indices and rankings can play in helping to better understand city performance, and in turn provide an additional angle to inform real estate investment and development decisions, and corporate location strategies.

Our last update in 2017 identified more than 300 indices around the world. Our follow-up report in 2018 – *World Cities: Mapping the Pathways to Success* – mapped the evolving system of cities into 10 types (see page 19 for explanation).

Today there are well over 500 benchmarks, tracking cities' ability to attract business and investment, build their jobs base, improve their infrastructure platform and sustain their growth over the long term.



The Wide Angle of City Performance

As concerns about geopolitics, demographics and climate change rise, the attention of citizens, businesses, investors and policymakers is turning towards the broader set of issues that cities face. As a result, many new performance benchmarks are being developed by an even wider range of organisations globally.

The trends in city benchmarking and performance measurement include:

1. A growing interest in locations as well as in cities as whole systems

The rise of the innovation economy and the premium on specific zones, neighbourhoods and districts within cities has attracted more interest in how cities are bringing forward and optimising their catalytic locations. New measures now compare how cities perform in terms of placemaking, transport interchange quality, and public perceptions of architectural quality and the urban fabric.

2. Long-term prospects for longer cycles

The current late-cycle/long-cycle phenomenon and the growing recognition of the competitive advantage of resilience have encouraged organisations to develop insights into which cities offer the best chances of attracting and accommodating growth over longer time horizons. New studies look at how cities' talent and physical ingredients help them to meet the challenges of growth and bounce back from potential shocks.

3. Big data insight and crowdsourced city sentiment

As changes in cities happen at a faster pace, demand is on the rise for real-time data on digital systems and usage, costs and business climate. These are also creating opportunities to track perception, social media sentiment and satisfaction, and offer an additional signal for those looking to invest in cities. Meanwhile, real estate is going through a technological leap with the growth of proptech, which has the potential to revolutionise cities' digital ecosystems and harvest vast amounts of real-time data.

4. New economic models that are changing what business needs from cities

The innovation economy, the experience economy, the sharing economy and the circular economy are each changing the competitive equation for cities. They are shifting attention to how cities build a customer service culture, foster urban experiences, expand innovation industries and adopt new business models to achieve sustainability. Cities that adapt will enjoy new and more sources of real estate demand.

New Economic Models: Implications for Cities and Real Estate

<p>Innovation Economy</p> <ul style="list-style-type: none"> • Increases demand for flexibility (i.e. flex space and short-term leases). • Optimises space utilisation and breaks down barriers between building uses. • Renews focus on ‘the district’ as the venue that fosters collaboration, innovation, clustering and commercialisation. • Builds appetite for pro-densification and pro-talent retention policies. 	<p>Experience Economy</p> <ul style="list-style-type: none"> • Heightens customer expectations for on-demand services and unique personalised content. • Enables customised experiences facilitated by data collection and curated through outstanding design. • Fosters concentration of mix of activities in high-experience locations. • Focuses attention on good ‘whole of place’ governance to ensure integrated experience.
<p>Sharing Economy</p> <ul style="list-style-type: none"> • Promotes rise of new living and working patterns, including co-working and co-living. • Raises demand for spaces that are easily reconfigurable for fast-moving tenants. • Increases returns from effective space and asset utilisation. 	<p>Circular Economy</p> <ul style="list-style-type: none"> • Facilitates operational efficiencies and digitally-enabled experience. • Boosts building sustainability, energy savings, and better water and waste management. • Enables higher density through shared occupancy, urban regeneration, extended lifespan and usability of assets. • Creates opportunity for cities to develop a leadership position through better procurement practices, planning regulations, partnership promotion and standards setting.

The result of these trends is that the benchmarks produce **more in-depth competitive criteria than ever**, with more data available on everyday quality of living, urban vibrancy, resilience, economic inclusion and social cohesion. Where quality of life was once predominantly analysed according to the perspectives of expats, today’s studies on the topic are more likely to focus on culture and neighbourhood vibrancy, social cohesion and immigration, and long-term resident liveability. Similarly, studies of short-term economic performance are now being replaced by benchmarks that more systematically measure resilience and the prospects for long-term economic competitiveness.

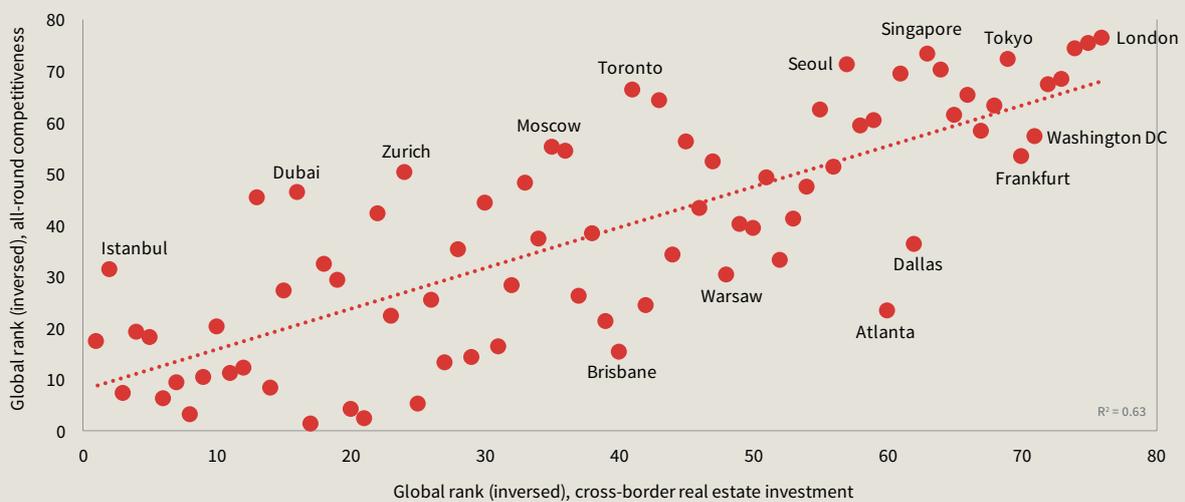
Implications for Investors and Corporate Occupiers in Cities

Our data shows a strong positive correlation between cities' all-round competitiveness and their attraction for cross-border real estate investment.

Investment performance and the desirability of cities among corporate occupiers and investors is now shaped by a much broader set of factors than before.

Investors have to pay attention not only to economic fundamentals but also to aspects of quality, innovation, sustainability, place, and promotion performance across longer timescales, adding layers of complexity to their investment decisions.

Correlation of cities' all-round competitiveness and cross-border real estate investment



'All-round competitiveness' rank based on an aggregate of 46 indices selected on basis of range, robustness and global influence
'Cross-border real estate investment' rank based on direct commercial real estate volumes, 2016-H1 2019

Source: JLL and The Business of Cities, 2019



The Established World Cities

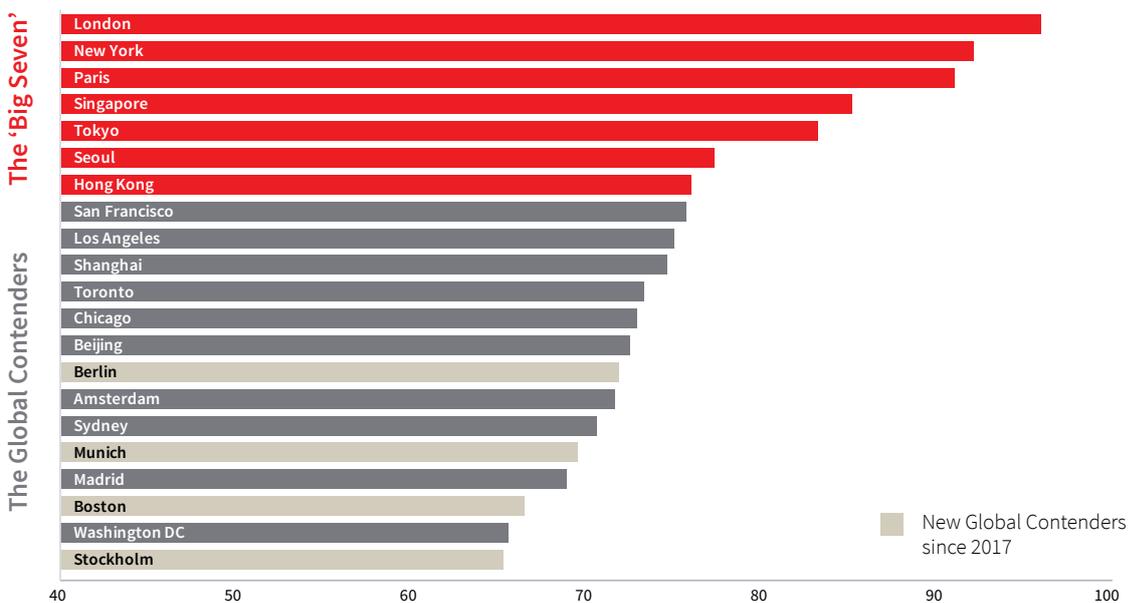
More cities are challenging and contending to join the top division of global cities.

In 2013 we first observed the leading group of global cities - the ‘Big Six’ of London, New York, Paris, Singapore, Tokyo and Hong Kong. In 2017 they were joined by Seoul to create the ‘Big Seven’.

The evidence from the world’s major performance benchmarks shows that in 2019 these seven cities remain at the top with the most consistent performance across key global city criteria. London, New York, Paris, Singapore and Tokyo retain their positions in the ranking, while Hong Kong and Seoul have switched places since 2017.

- **London continues to lead the pack** despite a recent slowdown in momentum and increasing risks of losing some important functions to other European competitors due to Brexit. The UK capital continues to record excellent performance as a result of its diversification into fintech, robotics, medtech and retailtech, and its ongoing cycle of infrastructure investment and redevelopment.
- **Seoul maintains its progress** regardless of its largely domestic corporate base, investment market and labour force. The winner of the latest World City Prize has become a leader and exporter in urban solutions around transport interchanges, high-quality redevelopment, citizen participation and digital services.
- Meanwhile, **Hong Kong’s infrastructure advantage has been slightly eroded** by slow progress in adopting and unifying data technologies. The city’s innovation culture is still maturing and political uncertainty is impacting on sentiment in some quarters.
- **Paris is benefitting from a positive cycle of policies** that foster the ingredients for innovation – especially talent and business climate. The Grand Paris project is catalysing the development of several new nodes and the formation of a polycentric metropolis, while the city is also starting to lead the way in terms of circular economy adoption.

The Order of Established World Cities, 2019: Top 20



Score based on 46 indices selected on basis of range, robustness and global influence. Ranked by overall performance across seven categories using an ELO algorithm covering corporate presence, global flows, scale and market size, infrastructure platform, talent, innovation and soft power



Progress of the Global Contenders

But **the gap to the rest is closing** as more cities successfully compete.

The ‘second division’ of ‘Global Contenders’ has now expanded and features four new medium-sized metros: **Berlin, Munich, Boston** and **Stockholm** – cities gaining more global specialisation while future-proofing their economies and city systems. These world cities are successfully competing on the global stage due to their quality-of-life advantages, innovation capabilities or institutional strength.

They have entered the group of ‘Global Contenders’ because their all-round performance has improved in the global benchmarks hand in hand with their specific edges and specialisations.

- **Berlin** is now among the top cities across major studies of innovation and is performing much more strongly in terms of appeal to global talent and students.
- **Boston** has combined its educational and innovation strengths with improving scores as a global financial services provider and an emerging reputation for smartness.
- **Stockholm** has achieved very strong results in terms of jobs, global corporate presence, innovation and brand.
- And **Munich** is in the top 10 globally for its transportation system, reputation and student appeal, and is recording a significant rise in inward investment across a variety of assets.



Spotlight on the New Global Contenders

Berlin

City Trends

Europe's continental tech hub is strengthening its e-commerce and fintech sectors and finding new edges in AI and blockchain. Berlin remains committed to a family-friendly and polycentric model of development to accommodate population growth. To satisfy the urgent demand for new housing and offices the city has identified 14 urban quarters to house more than 100,000 new residents.

Real Estate Activity and Performance

Berlin now regularly features among the global top 20 destinations for real estate investment and has become a favoured destination for cross-border capital. Underlying market fundamentals are robust with office demand at near record levels supporting continued growth in values. A healthy supply pipeline will provide some relief to an exceptionally tight market. The growth of indigenous and international businesses will be key to Berlin's continued real estate momentum.

Boston

City Trends

With one of the most mature and capital-rich innovation ecosystems in the world, Boston is rising thanks to more integrated approaches to long-term planning to meet its quality-of-life, equity, mobility and resilience imperatives. Imagine 2030 is the first coordinated citywide plan for over 50 years¹, requiring an extra 4,000 new homes a year. The City is also establishing new tools for accessing affordable housing and a variety of incentives to attract new investment.² While still lacking a visionary and deliverable plan for improving its transport system, Boston continues to attract and retain a unique pool of technical talent.

Real Estate Activity and Performance

Boston's ascent as a globally recognised real estate market is as much due to the stability of its real estate as it is for its dominance in the life sciences and technology sectors. In fact, its life sciences sector is so strong that much of the recent notable investment activity has been focused on land sites that can accommodate lab development, not only in popular Kendall Square and Seaport but also in other surrounding submarkets and suburbs. Subsequently, the pipeline for office development in the near term is dwindling, from which owners will continue to benefit, but at the same time it will be an inhibitor to company growth.

¹ <https://www.boston.gov/departments/mayors-office/imagine-boston-2030>

² <https://www.wbur.org/bostonmix/2019/02/20/affordable-housing-funding-walsh> ; <https://www.boston.gov/departments/neighborhood-development/housing-changing-city-boston-2030> ; <https://urbanland.uli.org/fall-meeting/boston-mayor-martin-walsh-cites-need-for-housing-infrastructure>

Munich

City Trends

Since 2017, Munich has consolidated its position as Germany's leading centre for advanced technology and insurance services, benefitting from the arrival of Microsoft's new German HQ. The city is profiting from an additional cycle of connectivity investment and is actively managing the local pressures of its sustained growth. In 2017 the high-speed rail connection between Munich and Berlin was completed and in 2018 the City committed over €5.5 billion to boost its public transportation network. These investments are unlocking new commercial and residential markets – including in the data-driven mixed-use district Neuaubing-Westkreuz/Freiham, where Munich is testing intelligent solutions to future urban mobility, housing and district management.

Real Estate Activity and Performance

The Munich office market has been extremely buoyant over the past few years as corporate demand has driven vacancy to its lowest level since 2002, which has been combined with robust rental growth (prime rents have grown by 25% over the last five years). International investors have taken note of Munich's impressive performance, pushing the city into the global top 10 as a cross-border investment destination over the past couple of years.

Stockholm

City Trends

Scandinavia's 'unicorn factory' has been building on its success in economic diversification and mixed-use district development to address the city's acute housing deficit. Meanwhile, the US\$3.4 billion co-investment in the expansion of Stockholm's metro is helping to absorb future growth around 11 new stations.³ The city government has been partnering with developers to deliver state-of-the-art infrastructure which aligns with the City's 2030 and 2040 visions to maintain its global leadership for sustainability and cohesion.

Real Estate Activity and Performance

Stockholm is a favoured destination for real estate investment with strong interest from foreign capital in all segments. Underlying market fundamentals are robust, with high office demand from its innovation economy supporting continued growth in values. Record low vacancies and limited construction will keep the market tight in the short term and underpin opportunities to increase supply in new emerging areas, several of which are south of the city centre.

³ <https://www.railway-technology.com/projects/stockholm-metro-expansion/>



The Maturing Model of New World Cities

Our 2018 report *World Cities: Mapping the Pathways to Success* identified three core groups of ‘New World Cities’ that have gained a competitive advantage on the global stage because of their innovation capabilities (‘Innovators’), quality-of-life advantages (‘Lifestyle’) or institutional strength (‘Influencers’). These cities are smaller and more specialised and offer distinctive points of difference and opportunity relative to larger and more ‘Established World Cities’.

In 2019 many cities in this group continue to record world-class performance – notably Barcelona, Melbourne, Vienna, Dublin and Copenhagen. They are improving not only their ability to attract and retain talent and diversified business, but also to deliver high-quality living standards, support innovation and maintain broader global influence through their widely recognised brand identities.

The Top 10 New World Cities across the 2017-2019 benchmarks

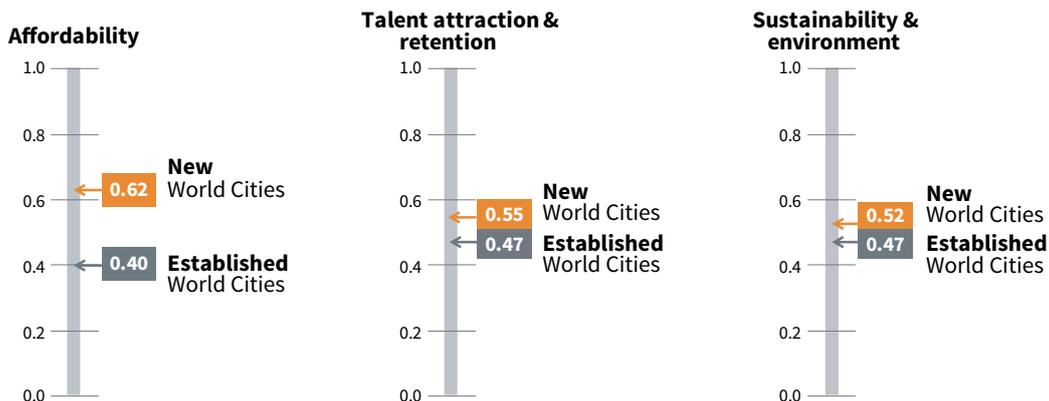


Source: The Business of Cities, 2019; Innovation Geographies, JLL, 2019

The performance data continues to indicate that ‘New World Cities’ are more resilient to the challenges of congestion and geopolitical disruption. On aggregate they now consistently outperform ‘Established World Cities’ in measures of affordability, talent attraction and retention, and sustainability and environmental protection.

Performance of New World Cities v Established World Cities

New World Cities outperform in key areas relative to Established World Cities



Source: JLL and The Business of Cities, 2019. Based on average performance of the top 100 most globalised cities



The Next Cycle of New World Cities?

A number of cities are pushing to become specialised and sought-after ‘New World Cities’ in the next cycle. Looking across all of the major strands of city competitiveness⁴, these cities score on aggregate at least as highly as several of the current group of ‘New World Cities’.

- **Manchester**’s overall performance has now surpassed that of other ‘New World Cities’ such as Brisbane, Auckland and Tel Aviv. Its improvement in global city performance benchmarks reflects a combination of factors – its outward-facing and high-performing universities, its relative affordability, its increasingly cosmopolitan cultural scene and its growing status as the UK’s second business city after London.
- **Philadelphia** now places among the top cities globally across the benchmarks of start-ups and science and technology produced both within and outside of the U.S., ahead of many other ‘New World Cities’ specialising in innovation. It is gaining global influence in healthcare and now routinely ranks in the world’s top 30 cities in measures of economic clout due to its skilled talent pool, high-quality universities and business gateway infrastructure.
- The rise of **Stuttgart** as a prosperous and efficient city with global reach has been enabled first and foremost by improvements to its infrastructure system, which is now evaluated to be just outside the top 25 globally. It also now regularly scores more highly than many of the other ‘Lifestyle’ cities in multiple measures of market size and scale, and benefits from globally competitive levels of productivity.
- **Lisbon** is one of Europe’s fastest improving cities in various global city performance benchmarks. The city is leveraging its status as a centre for international decision-making and conferences, and the quality of its convention centres and universities is enhancing its performance in multiple measures of global reach and impact.
- **Montreal** has been successfully building on its higher-education and creativity strengths to drive growth of high-value clusters in media and television, life sciences and AI. It has consolidated its position in global city performance benchmarks due to the strength of its corporate economy, and the city has attracted a range of new financial and high-tech firms as a result of new investment in infrastructure, greater financial and political stability, competitive operating costs relative to other North American cities, and its more integrated metropolitan-level investment promotion efforts.

The new entrants to ‘New World Cities’ are standing out in competitive benchmarks due to their:

- Record of achieving economic growth across their wider metropolitan catchment over the longer term.⁵
- Increased propensity to attract and retain students and highly-qualified career-age talent.⁶
- Greater international reach, resonance and reputation due to improved visitor and event experience, recognised global brands, and positive promotion and positioning.⁷

⁴ Corporate presence, gateway functions, scale and market size, infrastructure platform, talent, innovation, and soft power

⁵ IESE Cities in Motion: “Economy”; UNHabitat Global Urban Competitiveness Report: Sustainable

⁶ QS Best Student Cities; IESE Cities in Motion: “Human Capital”

⁷ IESE Cities in Motion: “International Outreach”; Resonance World’s Best Cities: “Promotion”



Emerging World Cities to Watch

The rate of change in ‘Emerging World Cities’ is substantial and is more and more being tracked by the global city performance benchmarks. These engines of emerging economies are serving a much higher level of domestic demand and are increasingly experienced gateways for international trade and capital – while the ‘Megahub’ junction boxes are witnessing phenomenal infrastructure growth, the industrial ‘Powerhouses’ are pivoting rapidly into advanced industries, and the medium-sized ‘Enterprisers’ are fine-tuning their business ecosystems.

The top ‘Emerging World Cities’ are experiencing such high productivity gains that they are rapidly decoupling from national trends and starting to leapfrog stages of infrastructure development through deployment of technology-led systems.⁸ Many of this group of ‘Emerging World Cities’ are increasingly becoming linked into much larger urban megaregions with shared commuter and talent pools and shared economic ambitions.

These trends give rise to ever more urgent imperatives to upgrade public services, tackle sprawl and congestion, retrofit infrastructure, fight pollution and build more integrated transport networks. The benchmarks highlight that Chinese and East Asian hubs continue to make the fastest strides on infrastructure and core living standards, while more proactive policies to invest in resilience are having significant effects in Latin America’s main business hubs.

The Top 10 Emerging World Cities across the 2017-2019 benchmarks



Source: JLL and The Business of Cities, 2019

The rate of improvement in ‘Emerging World Cities’ is likely to see a rearrangement in the medium future in terms of the quality of life, innovative potential and reputation of cities globally – the performance gap between ‘Established World Cities’ and some ‘Emerging World Cities’ is already starting to blur.

⁸ https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Innovation/Superstars%20The%20dynamics%20of%20firms%20sectors%20and%20cities%20leading%20the%20global%20economy/MGI_Superstars_Discussion%20paper_Oct%202018-v2.ashx

A small number are beginning to differentiate themselves from other 'Emerging World Cities' by making large strides in a number of city competitiveness agendas:

Guangzhou

Now just 50 minutes north of Hong Kong by rail, Guangzhou has a higher global corporate presence than any other 'Emerging World City'. A top 20 global city for the strength and competitiveness of its finance industry, it has in recent years developed a critical mass of advanced producer services functions. Commercial districts such as Tianhe have become globally competitive, while the high adoption of electric transport and improved urban amenities are seeing the city move towards 'Global Contender' status.

Shenzhen

Likewise, its neighbour Shenzhen now places inside the top 10 globally across the world's infrastructure benchmarks, ahead of 'Established World Cities' such as Berlin, New York and Stockholm. The city leads the way among 'Emerging World Cities' for deployment and uptake of smart mobility applications and ranks in the top 20 globally for the overall efficiency of its transport infrastructure platform. It is also the highest ranked 'Emerging World City' in JLL's Innovation Index⁹, partly due to its mature culture of investment and experienced pool of industry entrepreneurs.

Taipei

A hub for higher education and tech entrepreneurship, Taipei's credentials have been significantly enhanced in recent years by consistently high university performance, its affordable lifestyle and improving safety, while its attractiveness to entrepreneurs is being buoyed by the emergence of an authentic cultural scene and high wages relative to the national and regional average.

Istanbul

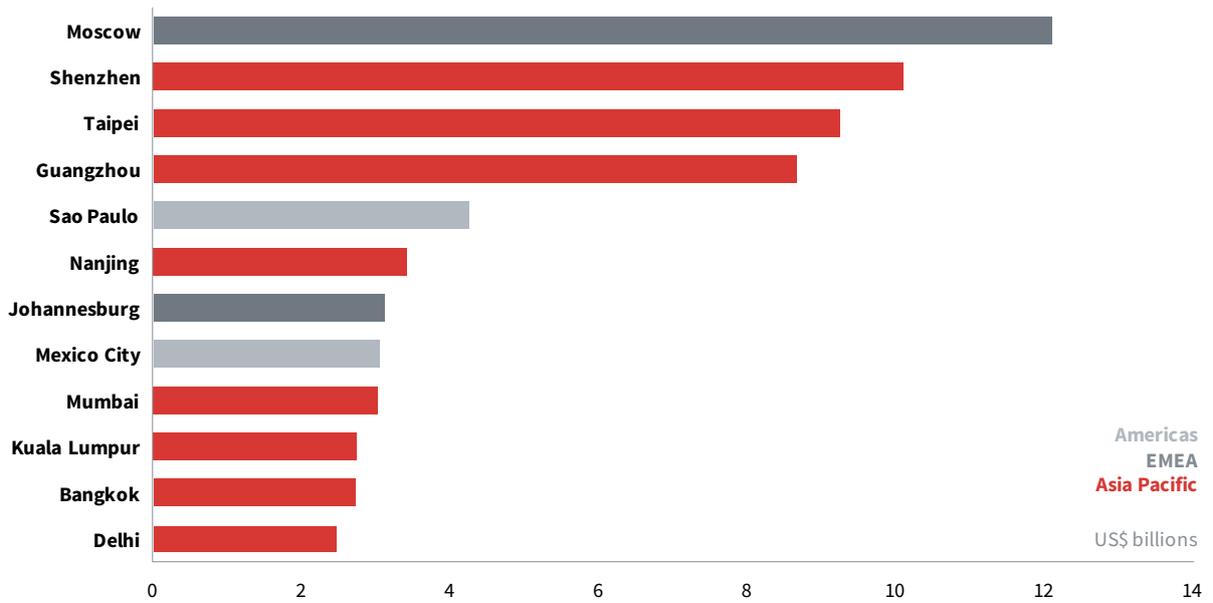
Istanbul continues to develop its gateway roles, despite geopolitical headwinds, and is now routinely among the two leading 'Emerging World Cities' in the global measures of soft power and influence. The city is leveraging its heritage and culture to draw record volumes of tourists and is regenerating many locations simultaneously. In addition to Istanbul's cycle of investment in metropolitan 'hardware', its 'software' of culture and lifestyle has become a major advantage: in multiple measures it now ranks among the top 10 cities globally for the quality of its arts, entertainment and culinary scene.

Moscow

Moscow is starting to make more of its market size and scale by investing in its transport and digital infrastructure platform. The city now excels for deployment and uptake of digital smart services applications, and a dedicated citywide start-up centre and the roll-out of 5G communications networks are helping companies to leapfrog normal progress in sectors ranging from fintech to AI. However, despite being a major gateway to Eurasian markets and having a very high online visibility, Moscow continues to lag behind other 'Emerging World Cities' for the internationalisation of its financial sector.

⁹ Innovation Geographies, JLL, 2019

Direct Commercial Real Estate Investment, 2014-2019 Emerging World Cities: Top 12



Source: JLL, 2019



The Future: The Governance Dividend for Global Cities

The performance landscape of global cities is revealing that while more cities are seeking to compete for investment capital and for other contested opportunities, their propensity to be consistently successful at doing so varies substantially. These variations are also becoming starker as pressures surge to respond to climate change, economic transition and quality-of-life expectations. Cities that meet these pressures also buoy the real estate assets invested and occupied within them.

Beneath the apparent stability among the top tier of global cities, we can see the rate of improvement among 'New' and 'Emerging World Cities' as platforms for innovation, lifestyles for talent, and reformers in the quest for resilience. This is translating into new sources of real estate demand and new opportunities to be discovered beyond the places that at first glance possess the strongest growth fundamentals.

There are many cyclical reasons why cities perform well or weakly year-on-year, and patterns vary by city size and geography, but over a longer cycle we can observe that cities appear to compete more effectively where they are able to:

- **Continually invest and reinvest in infrastructure** to unlock and upgrade locations and ensure business efficiency, and not rely on single cycles of 'catch-up' investment.
- **Match their physical ingredients with a climate tuned for business and innovation.**
- **Avoid over-reliance on one niche or location**, and instead achieve and sequence transformation in multiple locations at once and across multiple industry specialisations.
- **Achieve scale of impact to address citywide challenges**, whether to do with housing, transport, placemaking, smart tech or inclusion.
- **Optimise opportunities** that come from new infrastructure, global events, national leadership or economic disruption.

How do cities succeed at this, and why do some struggle? Whether it is an 'Established World City', a 'New World City' or an 'Emerging World City', one common ingredient is the role of governance and leadership, which is sometimes overlooked when assessing cities' future prospects and potential.

The new range of benchmarks and the nature of transformation required in terms of innovation ingredients, climate mitigation and geopolitical agility, all point to the competitive contribution of proactive government stewardship and city leadership.

A city's governance system influences everything from the scalability of smart technology and the transparency of data and decisions, to the parameters of risk tolerated. Whether a city can orchestrate the vision, strategy, financing and implementation to turn aspirations into reality is becoming a definite area of differentiation for real estate. So too is a city's ability to innovate to increase the rate of investment and capture value across whole lifecycles. Governance even shapes whether real estate supply keeps pace with occupier demand and talent expectations, and whether investment is facilitated into the kind of buildings and places that occupiers and tenants seek. These factors are increasingly elemental to city and real estate success.

A Typology of Cities

In 2017-2018¹⁰, JLL and The Business of Cities identified 10 city types that make up the evolving global system. This typology has been updated in 2019 and is built around the distinctive roles that different cities play in the global economy; the sorts of traded business activity and economic, cultural and institutional functions they host; and the strategic direction they are taking to achieve longer-run competitiveness.

Established World Cities



- 1. The Big Seven:** The 'Big Seven' uniquely combine scale, global reach, quality and influence. This makes them the default locations for cross-border investors and corporates, highly desirable for national and international talent, and attractive for purposes of trade, conventions, education and tourism.
- 2. The Global Contenders:** This group of cities have emerged as 'Global Contenders' because they have acquired many of the assets of the top cities: gateway connectivity to their national and continental economies, effective metropolitan scale and market size, the trust of global capital, a sizeable talent pool, and multiple clustered specialisations.

New World Cities



- 3. The Innovators:** These cities stand out because they have world-class capabilities in science and technology and business climates that foster innovation and entrepreneurship. The 'Innovators' usually have a cadre of globally leading firms or institutions that are at the forefront of a strong ecosystem for innovation.
- 4. The Lifestyle Cities:** This group of cities possess a quality of life and appeal that has become their strongest brand asset. One advantage these cities share is stable public governance, which successively invests in a high-amenity urban platform that is very conducive to interaction and collaboration.
- 5. The Influencers:** These are centres of global and regional influence, and their role is linked to hosting transnational institutions and trading functions. These cities host clusters in the diplomatic, security, media and higher-education sectors and other adjacent industries.

Emerging World Cities



- 6. The Megahubs:** These exceptionally large cities in emerging economies have become capable centres of finance, business services and retail. They serve larger and, in many cases, buoyant domestic markets and act as the junction box for the internationalisation of the national economy.
- 7. The Enterprisers:** These cities in emerging economies are moving rapidly towards a high productivity, high innovation system. They are major places of opportunity and are magnets to workers from their nation and the wider region. Usually specialised in services, they have exploited their business climate advantages in recent years.
- 8. The Powerhouses:** This group of mainly Chinese cities are transitioning from low-value industrial economies to find a higher position in the value chain and are benefitting from strong national government support. Traditional manufacturing has begun to relocate and is gradually being replaced by more capital-intensive and design-oriented jobs.

¹⁰ The Universe of City Indices 2007: Decoding City Performance. JLL and The Business of Cities, 2017
World Cities: Mapping the Pathways to Success. JLL and The Business of Cities, 2018

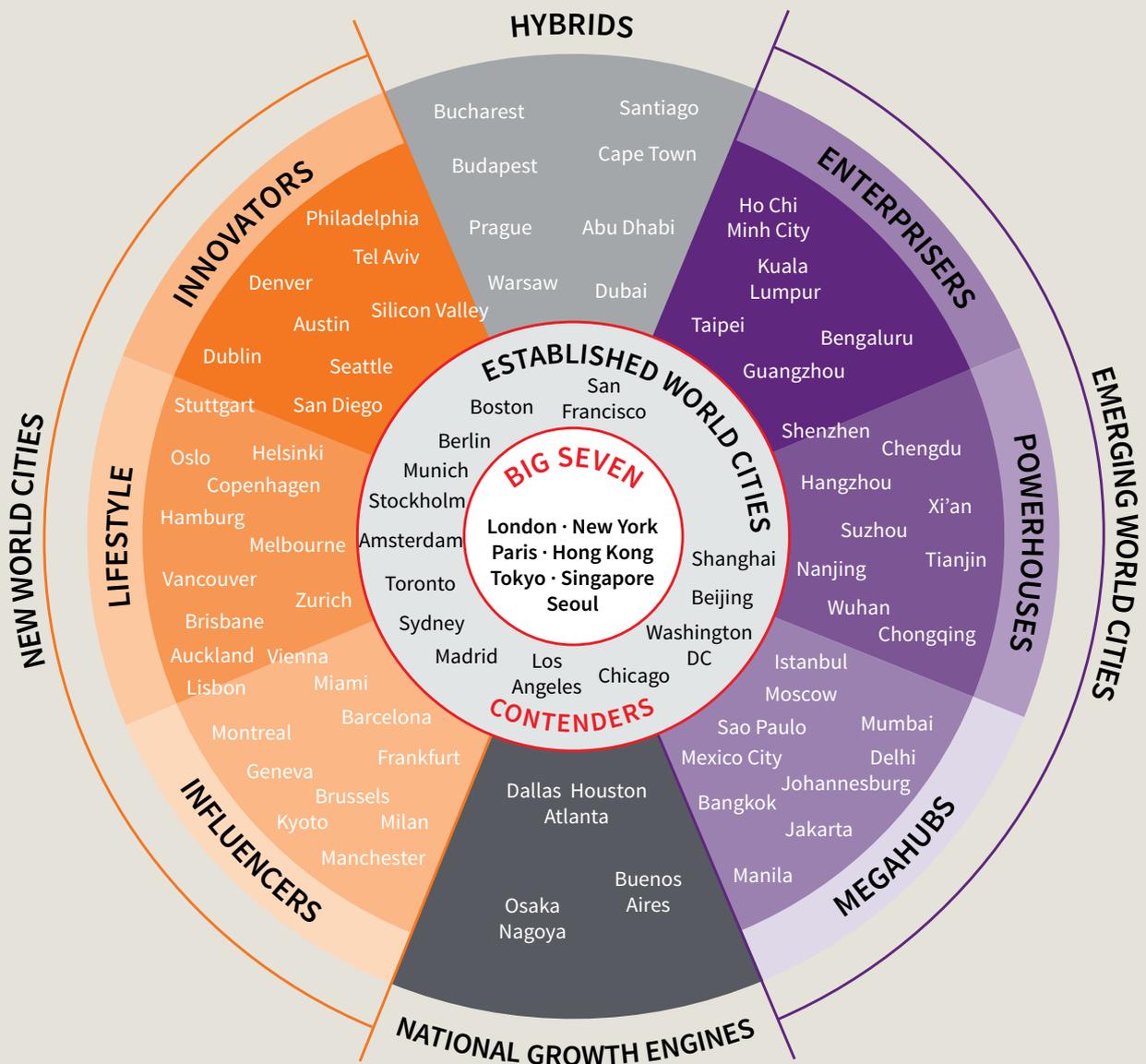
Hybrids and National Growth Engines



9. The Hybrids: These cities have the attributes of both ‘Emerging’ and ‘New World Cities’. Like ‘New World Cities’, they are medium-sized, compete in specialised markets and have a superior liveability compared to their national and regional peers. But the overall profile of their labour force and customer appeal more closely resembles ‘Emerging World Cities’.

10. The National Growth Engines: These cities are found in stable, developed national economies that profit from access to a large domestic market and enjoy consistent demand with relatively few natural competitors. The competitive model for these cities is usually based around services and supply functions.

The Global Map of Cities in 2019



Contacts

JLL Regional Headquarters

Chicago

200 East Randolph Drive
Chicago IL 60601
USA
+1 312 782 5800

London

30 Warwick Street
London W1B 5NH
United Kingdom
+44 20 7493 4933

Singapore

9 Raffles Place
#39-00 Republic Plaza
Singapore 048619
+65 6220 3888

Authors

Jeremy Kelly

Lead Director, Global Research Programmes, JLL
jeremy.kelly@eu.jll.com

Masha Seymour

Director, Global Research Programmes, JLL
masha.seymour@eu.jll.com

Dr Tim Moonen

Managing Director, The Business of Cities
timmoonen@thebusinessofcities.com

Jake Nunley

Senior Research Associate, The Business of Cities
jakemunley@thebusinessofcities.com

Caitlin Morrissey

Research Associate, The Business of Cities
caitlinmorrissey@thebusinessofcities.com

To learn more about cities and real estate, visit our website
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